

## Message Text

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PAGE 01 PANAMA 05989 281814Z

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ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W

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FM AMEMBASSY PANAMA

TO SECSTATE WASHDC IMMEDIATE 8926

C O N F I D E N T I A L PANAMA 5989

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E.O. 11652: GDS

TAGS: PFOR, PAN

SUBJECT: NEGOTIATIONS--THE PANAMANIAN MOOD.

1. THE EUPHORIA SURROUNDING THE RECENT SRI LANKA CONFERENCE, WHERE PANAMA WON UNANIMOUS SUPPORT FOR ITS OVERALL POSITION RE CANAL TREATY NEGOTIATIONS, IS GRADUALLY DISSIPATING. THE FOREIGN MINISTER CONTINUES TO DRAG IN THE SRI LANKA THEME--HOWEVER INAPPROPRIATELY--IN HIS EVERY PUBLIC UTTERANCE. BUT HE DOES SO TO THE BOREDOM OF MOST AND THE IRRITATION OF MANY. SIMILARLY, PANAMANIAN READERS ARE TIRING RAPIDLY OF READING ABOUT THE QUOTE GLORIOUS VICTORY UNQUOTE IN FAR-OFF COLOMBO. THE MASSIVE NEWSPAPER CAMPAIGN HAS NOW BEEN REDUCED IN VOLUMN. WITH SRI LANKA FADING IN MEMORY, THIS GOVERNMENT AND MANY PANAMANIAN ARE NOW BEGINNING TO LOOK TO THE FUTURE. THEY NOTE THAT THE SELECTION OF CANDIDATES BY OUR TWO PARTIES HAS NOW BEEN CONCLUDED. WHEN, THEY ASK, WILL THE TREATY NEGOTIATIONS--STALLED FOR MORE THAN THREE MONTHS AT U.S. INSISTENCE--GET BACK ON THE TRACKS? I HAVE BEEN GETTING THIS QUESTION FROM THE HIGHEST LEVELS OF THE GOVERNMENT, FROM THE CHIEF NEGOTIATOR, AND FROM LEADING MEMBERS OF THE NEGOTIATING TEAM AND ITS ADVISERS.

2. THEY HAVE UNDERSTOOD, AND SHOWN CONSIDERABLE PATIENCE, WITH OURCONTENTION THAT NO DRAMATIC PROGRESS COULD BE EXPECTED WHILE WE WORKED THROUGH THE PRIMARIES AND THE PARTY CONVENTIONS. AND THEY UNDERSTAND FULL WELL THAT IT IS NOT IN THE CARDS TO ACHIEVE

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 PANAMA 05989 281814Z

ANYTHING LIKE A TREATY OR EVEN GENERAL AGREEMENTON OUTSTANDING

MAJOR ISSUES BEFORE OUR NATIONAL ELECTION IN NOVEMBER. BUT THEY ALSO ARGUE THAT THIS COUNTRY'S NUMBER ONE POLICY PROBLEM--ITS TOPMOST NATIONAL ASPIRATION--SHOULD NOT IN FAIRNESS BE TOTALLY SUBORDINATED TO THE WORKINGS OF OUR POLITICAL PROCESS. THEY REMIND US THAT WE ARE NOT TALKING ABOUT A MINOR BILATERAL ISSUE THAT HAS ARISEN RECENTLY. THEY RECALL THAT THE ACHIEVEMENT OF A NEW TREATY IS A SOLEMN PROMISE OF SEVERAL ADMINISTRATIONS GOING BACK TO MORE THAN TWELVE YEARS. THEY UNDERLINE, TOO, THAT WE AMERICANS ARE NOT THE ONLY ONES IN THIS DIALOGUE WHO HAVE DOMESTIC POLITICAL PROBLEMS THAT NEED CLOSE ATTENTION. FINALLY, THEY ASK WHETHER THE RESTRAINT THEY HAVE DEMONSTRATED OVER THE PAST MONTHS--AND EVEN AT SRI LANKA THEY WERE FAR MORE SUBDUED THAN WE MIGHT HAVE EXPECTED--IS TO BE REWARDED WITH CONTINUING UNRESPONSIVENESS ON OUR PART. OR IS IT TRUE, THEY ASK, THAT THE U.S. ONLY REACTS WHEN ITS ATTENTION IS DRAWN BY OUTRAGEOUS BEHAVIOR. DO WE ONLY APPLY GREASE TO SQUEAKING WHEELS?

3. NOTING THAT BOTH U.S. PARTIES HAVE ADOPTED PLATFORMS THAT SUPPORT THE IDEA OF WORKING OUT SOME NEW ARRANGEMENT, THE PANAMANIAN BELIEVE THAT WE SHOULD NOW CONTINUE DOWN THE PATH OF QUIET TALKS. THEY EXPECT NO MAJOR BREAKTHROUGHS. THEY DO CALL ATTENTION TO THE FACT THAT MANY ISSUES REMAIN UNRESOLVED AND THEY BELIEVE THAT CONTINUING WORK IS NEEDED TO MOVE FORWARD ON SOME OF THEM OVER COMING WEEKS AND MONTHS. THEY ALSO HAVE NOTICED THAT EVEN IN THE HEAT OF THE PRIMARY CAMPAIGN, THE HOUSE OF REPRESENTATIVES ITSELF DEFEATED A MOVE THAT WOULD HAVE CALLED OFF NEGOTIATIONS. AS ONE PANAMANIAN SAID TO ME RECENTLY:"THE U.S. CONGRESS HAS CLEARLY SAID THE U.S. SHOULD TALK WITH OTHER GOVERNMENTS AND TRY TO WORK OUT PROBLEMS. THEN WHY DON'T WE GET ON WITH OUR TALKS?"

4. IN SUM, THE PANAMANIAN LEADERSHIP IS EAGER TO GET THE NEGOTIATION SHOW BACK ON THE ROAD. THEY ARE EAGER TO WELCOME AMBASSADOR BUNKER BACK TO THE TABLE. THEY SEE THIS RESUMPTION, IN PART, AS A TEST OF OUR REAL INTENTIONS. THEY ALSO SEE IT AS A DEVELOPMENT THAT THEY CAN USE EFFECTIVELY TO COUNTER THE CRITICISM THEY ARE GETTING FROM THE EXTREMISTS--THAT THE U.S. IS NOT TO BE TRUSTED, THAT PANAMA'S HOPES MEAN NOTHING TO THE COLOSSUS OF THE NORTH, THAT THE U.S. DOES NOT APPRECIATE QUIET

CONFIDENTIAL

PAGE 03 PANAMA 05989 281814Z

COOPERATION BUT REACTS ONLY TO NOISY RHETORIC.

5. SO MUCH FOR THE PANAMANIAN VIEWPOINT. AS THE U.S. REPRESENTATIVE HERE, ONE OF MY MAJOR TASKS IS TO KEEP U.S.-PANAMA RELATIONS ON AN EVEN KEEL. THERE IS NO DOUBT THAT THE MOST EFFECTIVE TOOL IN OUR QUIVER OF MANAGEMENT TOOLS IS THE EXISTENCE OF ON-GOING TREATY TALKS. THAT ENABLES ME TO CALM COUNTLESS FEARS AND WORK FOR QUIET SOLUTIONS OF PROBLEMS THAT ARISE WEEKLY. I HAVE, FOR

EXAMPLE, STRONGLY URGED PAMANANIAN POLICY MAKERS NOT TO TAKE THE CANAL TREATY PROBLEM TO THE UNITED NATIONS IN ADVANCE OF OUR ELECTIONS. THEY HAVE INCLINED TO BUY MY ARGUMENTS. BUT THAT DECISION COULD BE REVERSED--IF THEY BELIEVE THAT WE ARE MERELY DIDDLING THEM. ON MANY OTHER BILATERAL ISSUES, I CAN BETTER KEEP THE LID ON AND WORK TOWARD RATIONAL SOLUTIONS IF THIS IS DONE AGAINST A BACKGROUND OF THE QUIET RESUMPTION OF TREATY DISCUSSIONS --EVEN THOUGH NO MAJOR MOVEMENT QUICKLY RESULTS. THE VERY PRESENCE OF AMBASSADOR BUNKER ON CONTADORA ISLAND IS A POTENT WEAPON IN THE PURSUIT OF OUR INTERESTS HERE.

6. I BELIEVE THESE VARIOUS CONSIDERATIONS MERIT ATTENTION AS WE PONDER WHETHER AN EARLY REVIVAL OF TREATY TALKS IS WISE AND USEFUL. MY OWN STRONG FEELING FROM THIS VANTAGE POINT IS THAT AN EARLY RESUMPTION WOULD BE EXTREMELY USEFUL, INDEED GREATLY ADVANTAGEOUS. JORDEN

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## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AGREEMENTS, PUBLIC ATTITUDES, GOVERNMENT REACTIONS, NONALIGNED NATIONS MEETINGS, CANALS, NEGOTIATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 28 AUG 1976  
**Decaption Date:** 28 MAY 2004  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** blochd0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976PANAMA05989  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D760328-0442  
**From:** PANAMA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t19760810/aaaaahyv.tel  
**Line Count:** 131  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION SS  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** EXDIS, STADIS  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** EXDIS, STADIS  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** blochd0  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 23 JUL 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <23 JUL 2004 by ElyME>; APPROVED <21 OCT 2004 by blochd0>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** NEGOTIATIONS--THE PANAMANIAN MOOD.  
**TAGS:** PFOR, PN, PQ, US  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006